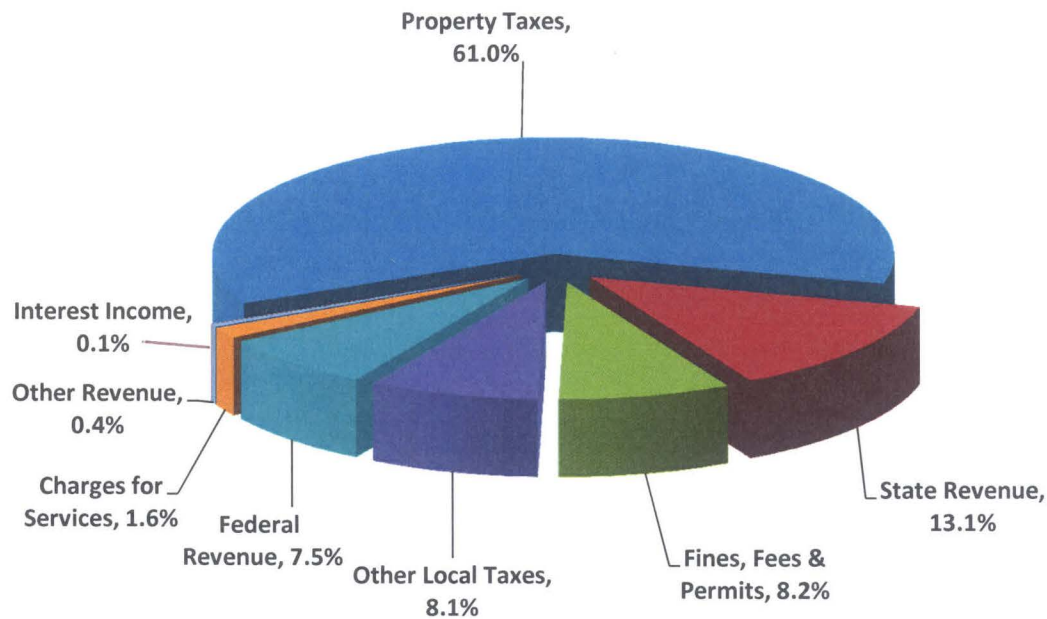


ALL FUNDS SUMMARY



FY14 PROPOSED BUDGET

Where the Money Comes From....

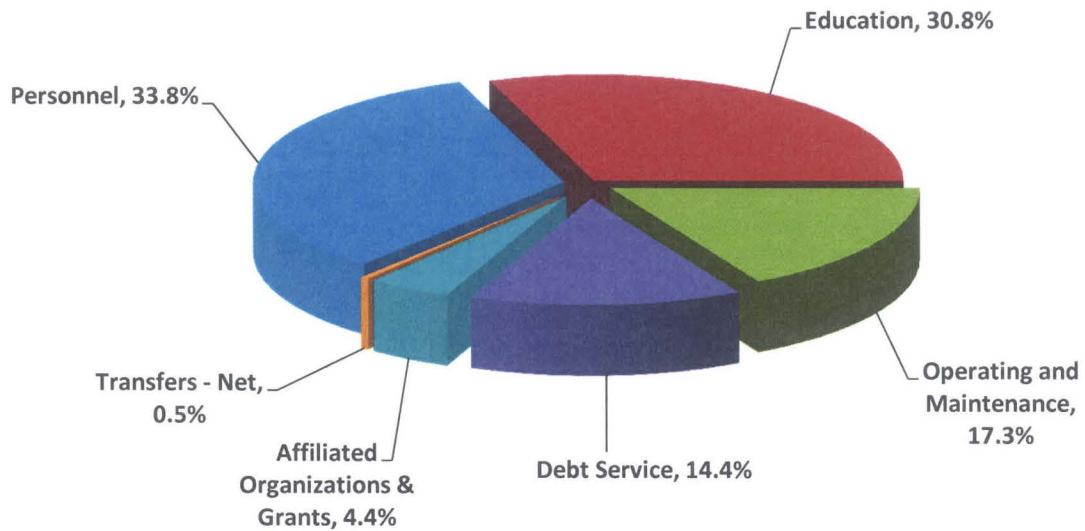


REVENUE SOURCES:

Property Taxes	\$ 716,637,000
Intergovernmental-State	154,045,381
Fines, Fees & Permits	96,596,702
Other Local Taxes	94,662,000
Intergovernmental-Federal	88,585,075
Charges for Services	18,626,516
Other Revenue	4,833,577
Interest Income	885,649

Total Revenue	\$ 1,174,871,900
----------------------	-------------------------

.....and Where the Money Goes



USE OF FUNDS:

Personnel	\$	397,547,391
Education		361,288,000
Operating and Maintenance		203,257,756
Debt Service		169,038,215
Affiliated Organizations & Grants (1)		52,251,336
Transfers - Net		5,305,000
Planned Use of Fund Balance		(13,815,799)
Total Expenditures	\$	<u>1,174,871,900</u>

(1) Includes \$4,989,145 available from the General Fund for additional funding of Education. This amount equals the Education security costs provided by the Sheriff which will be reimbursed by the County Schools.

Prime Accounts Countywide Summary

All Funds

ACCT DESCRIPTION	FY10 ACTUAL	FY11 ACTUAL	FY12 ACTUAL	FY13 AMENDED	FY14 PROPOSED
40 - Property Taxes	(736,681,436)	(731,508,708)	(722,068,728)	(714,042,000)	(716,637,000)
41 - Other Local Taxes	(93,671,586)	(93,391,145)	(87,643,901)	(94,050,000)	(94,662,000)
43 - Intergovernmental Revenues-State	(146,014,584)	(150,840,545)	(135,256,101)	(173,832,802)	(154,045,381)
44 - Intergovernmental Revenues-Federal	(62,838,756)	(62,678,842)	(63,275,891)	(100,427,994)	(88,585,075)
45 - Charges for Services	(16,453,545)	(16,880,675)	(17,275,424)	(18,691,704)	(18,626,516)
46 - Fines, Fees & Permits	(92,065,318)	(96,102,076)	(96,311,867)	(93,997,480)	(96,596,702)
47 - Other Revenue	(16,083,319)	(5,104,168)	(4,389,570)	(6,102,128)	(4,833,577)
48 - Investment Income	(1,318,130)	(1,058,842)	(1,118,590)	(1,269,565)	(885,649)
TOTAL REVENUE	(1,165,126,673)	(1,157,565,002)	(1,127,340,071)	(1,202,413,672)	(1,174,871,900)
51 - Salaries-Regular Pay	260,809,827	259,902,941	254,166,162	282,473,552	280,208,614
52 - Salaries-Other Compensation	18,136,732	19,124,711	23,633,126	20,066,421	17,821,678
55 - Fringe Benefits	84,860,723	86,822,695	95,654,814	115,105,361	120,714,408
56 - Salary Restriction	-	-	-	(23,813,826)	(21,197,309)
TOTAL SALARIES	363,807,282	365,850,346	373,454,102	393,831,507	397,547,391
60 - Supplies & Materials	25,094,081	23,829,859	24,984,457	33,204,370	30,511,173
64 - Services & Other Expenses	28,833,040	38,882,339	25,999,880	36,298,050	33,002,309
66 - Professional & Contracted Services	68,911,094	63,651,789	66,636,840	102,794,297	87,544,904
67 - Rent, Utilities & Maintenance	22,585,426	23,212,165	22,449,850	26,044,414	24,482,381
68 - Interfund Services	8,352,221	9,893,303	10,203,725	11,326,180	11,354,469
70 - Capital Asset Acquisitions	15,348,585	12,988,857	8,961,868	33,261,025	20,447,256
79 - Depreciation Expense	971,553	430,945	(130,145)	-	-
TOTAL OPERATING & MAINT	170,096,002	172,889,258	159,106,477	242,928,336	207,342,491
80 - DEBT SERVICE EXPENDITURE	171,749,330	183,189,677	169,639,665	177,463,275	169,038,215
89 - AFFILIATED ORGANIZATIONS (1)	430,798,877	419,383,422	403,020,534	413,418,560	413,039,336
90 - GRANTS	306,000	1,457,520	1,692,000	1,337,000	500,000
95 - CONTINGENCIES & RESTRICTIONS	-	-	-	(2,697,775)	(3,269,355)
94 - OTHER SOURCES & USES	(100,610)	(354,239)	3,885,606	(860,380)	(815,380)
TOTAL EXPENDITURES	1,136,656,881	1,142,415,984	1,110,798,385	1,225,420,523	1,183,382,699
99 - PLANNED USE OF FUND BALANCES	-	-	-	(27,012,638)	(13,815,799)
96 - OPERATING TRANSFERS IN	(26,015,637)	(25,050,222)	(16,647,896)	(24,440,144)	(21,206,168)
98 - OPERATING TRANSFERS OUT	35,822,496	32,875,879	27,944,005	28,445,931	26,511,168
NET TRANSFERS	9,806,859	7,825,658	11,296,109	4,005,787	5,305,000
TOTAL COUNTYWIDE	(18,662,933)	(7,323,360)	(5,245,577)	-	-

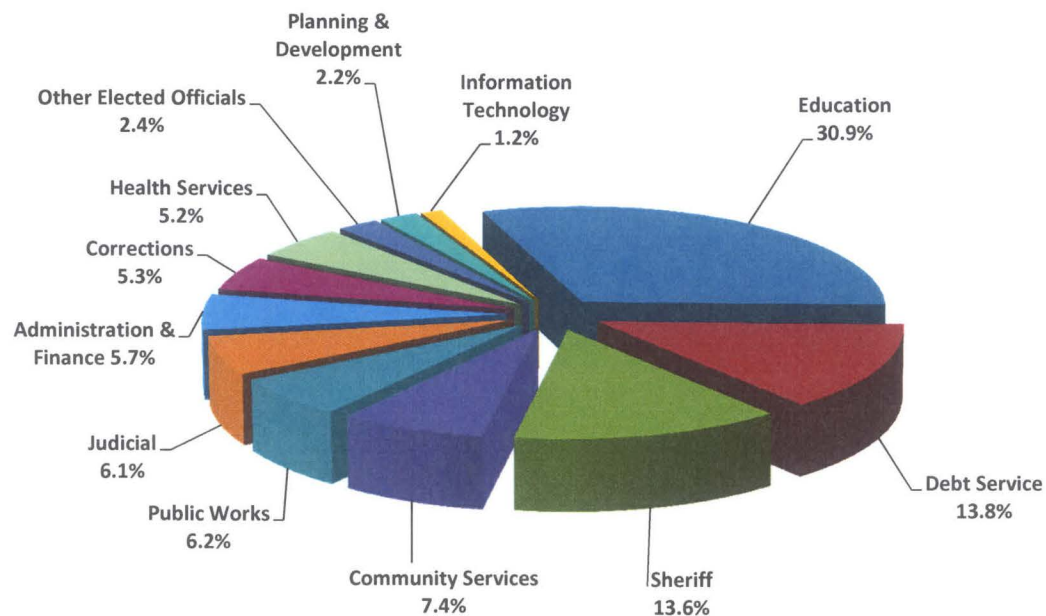
(1) Includes Education expense

Total Revenue and Expenditures by Division Countywide Summary

All Funds

DIVISION	FY14 REVENUE	FY14 EXPENDITURES	FY14 TRANSFERS	NET OPERATIONS	% of Total
Education	(361,288,000)	361,288,000	-	-	30.9%
Debt Service	(163,859,269)	160,840,034	3,019,235	-	13.8%
Sheriff	(14,420,994)	159,228,721	-	144,807,727	13.6%
Community Services	(78,666,669)	86,243,012	-	7,576,344	7.4%
Public Works	(55,716,882)	73,069,201	(587,009)	16,765,310	6.2%
Judicial	(32,599,297)	71,678,814	-	39,079,516	6.1%
Administration & Finance	(307,467,157)	66,110,825	13,697,774	(227,658,558)	5.7%
Corrections	(53,534,908)	62,434,908	(8,900,000)	-	5.3%
Health Services	(39,043,321)	61,048,421	(325,000)	21,680,100	5.2%
Other Elected Officials	(38,774,420)	27,542,940	-	(11,231,480)	2.4%
Planning & Development	(23,910,467)	25,915,754	(1,600,000)	405,287	2.2%
Information Technology	(5,590,516)	14,166,271	-	8,575,755	1.2%
COUNTYWIDE TOTAL - ALL FUNDS	(1,174,871,900)	1,169,566,900	5,305,000	-	100%

FY14 Expenditures by Division



Education represents the largest single division for county revenue and expenditures.

Revenue and Expenditures by Fund/Division Countywide Summary

All Funds

FUND/DIVISION	FY14 REVENUE	FY14 EXPENDITURES	FY14 TRANSFERS	NET OPERATIONS
GENERAL FUND:				
Administration & Finance	(286,355,377)	45,036,054	13,660,765	(227,658,558)
Information Technology	(1,818,994)	10,394,749	-	8,575,755
Health Services	(5,283,200)	26,314,286	649,012	21,680,098
Planning & Development	(5,000)	345,926	64,361	405,287
Public Works	(2,587,103)	19,337,583	14,830	16,765,310
Community Services	(950,000)	8,397,668	128,676	7,576,344
Sheriff	(11,065,385)	156,042,792	(169,680)	144,807,727
Judicial	(27,522,640)	66,375,915	226,241	39,079,516
Elected Officials	(38,473,575)	27,242,095	-	(11,231,480)
TOTAL GENERAL FUND (1)	(374,061,273)	359,487,068	14,574,205	-
SPECIAL REVENUE FUNDS:				
Education Fund (1)	(361,288,000)	361,288,000	-	-
Hotel-Motel Tax Fund	(13,200,000)	13,200,000	-	-
Roads & Bridges Fund	(11,115,587)	11,152,596	(37,009)	-
Mosquito & Rodent Control Fund	(3,436,000)	3,436,000	-	-
Narcotics Funds	(2,415,500)	2,415,500	-	-
Car Rental Tax Fund	(2,200,000)	2,200,000	-	-
Air Emission Fees Fund	(1,091,250)	608,560	482,690	-
Register DP Fund	(300,845)	300,845	-	-
General Sessions DP Fund	(227,366)	227,366	-	-
Criminal Court DP Fund	(25,000)	25,000	-	-
Economic Development Fund	(3,000,000)	3,000,000	-	-
Stormwater Fees Fund	(720,000)	704,187	15,813	-
DUI Treatment Fines Fund	(55,000)	55,000	-	-
Drug Court Program Fund	(330,000)	330,000	-	-
TOTAL SPECIAL REVENUE FUNDS	(399,404,548)	398,943,054	461,494	-
ENTERPRISE FUNDS:				
Corrections Fund	(52,404,300)	61,118,775	(8,714,475)	-
Fire Services Fund	(20,316,882)	20,316,882	-	-
Codes Enforcement Fund	(9,052,200)	10,210,204	(1,158,004)	-
TOTAL ENTERPRISE FUNDS	(81,773,382)	91,645,861	(9,872,479)	-
INTERNAL SERVICE FUNDS:				
Telecommunications	(3,771,522)	3,771,522	-	-
Fleet Services	(3,917,481)	3,917,481	-	-
Mail and Print Services	(2,850,706)	2,850,706	-	-
TOTAL INTERNAL SERVICE FUND	(10,539,709)	10,539,709	-	-
GRANT FUNDS (1)	(145,233,719)	148,111,175	(2,877,455)	-
DEBT SERVICE FUND (1)	(163,859,269)	160,840,034	3,019,235	-
ALL FUNDS TOTAL	(1,174,871,900)	1,169,566,900	5,305,000	-

(1) Identified as Major funds - defined here as either more than 10 % of total appropriated revenues or total appropriated expenditures.

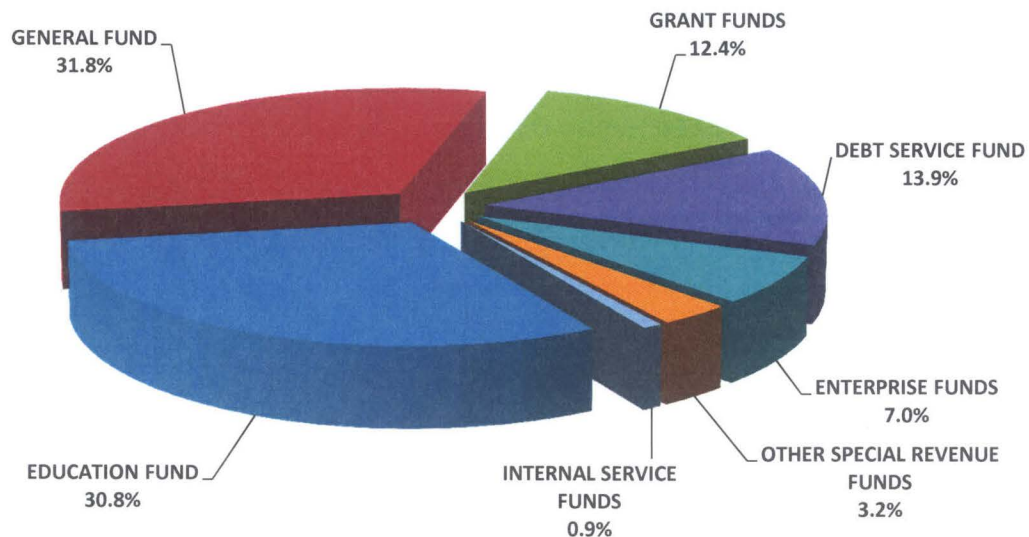
Total Revenue and Expenditures by Fund Type Countywide Summary

All Funds

FUND NAME	FY14 REVENUE	FY14 EXPENDITURES*	FY14 TRANSFERS	NET	Total Revenue
EDUCATION FUND	(361,288,000)	361,288,000	-	-	30.8%
GENERAL FUND	(374,061,273)	359,487,068	14,574,205	-	31.8%
GRANT FUNDS	(145,233,719)	19,551,099	(559,479)	-	12.4%
DEBT SERVICE FUND	(163,859,269)	160,840,034	3,019,235	-	13.9%
ENTERPRISE FUNDS	(81,773,382)	91,645,861	(9,872,479)	-	7.0%
OTHER SPECIAL REVENUE FUNDS	(38,116,548)	37,655,054	461,494	-	3.2%
INTERNAL SERVICE FUNDS	(10,539,709)	10,539,710	-	-	0.9%
COUNTYWIDE TOTAL - ALL FUNDS	(1,174,871,900)	1,041,006,825	7,622,976	-	100.0%

*This column represents all FY14 expenditures and any use of fund balance; transfers are not included.

FY14 Revenue by Fund Type



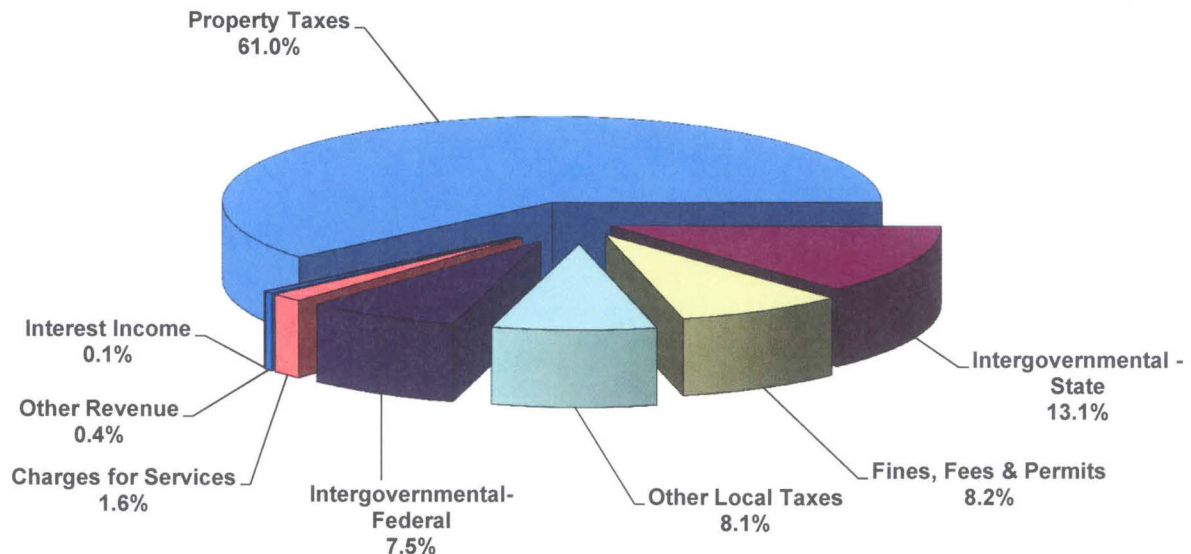
The General Fund and the Education Fund are the largest funds for Shelby County with each representing about one third of the countywide total.

Revenue Overview Countywide Summary

All Funds

REVENUE SOURCE	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Amended	FY14 Proposed
40 - Property Taxes	(736,681,436)	(731,508,708)	(722,068,728)	(714,042,000)	(716,637,000)
% of Total	63.2%	63.2%	64.1%	59.4%	61.0%
43 - Intergovernmental - State	(146,014,584)	(150,840,545)	(135,256,101)	(173,832,802)	(154,045,381)
% of Total	12.5%	13.0%	12.0%	14.5%	13.1%
46 - Fines, Fees & Permits	(92,065,318)	(96,102,076)	(96,311,867)	(93,997,480)	(96,596,702)
% of Total	7.9%	8.3%	8.5%	7.8%	8.2%
41 - Other Local Taxes	(93,671,586)	(93,391,145)	(87,643,901)	(94,050,000)	(94,662,000)
% of Total	8.0%	8.1%	7.8%	7.8%	8.1%
44 - Intergovernmental-Federal	(62,838,756)	(62,678,842)	(63,275,891)	(100,427,994)	(88,585,075)
% of Total	5.4%	5.4%	5.6%	8.4%	7.5%
45 - Charges for Services	(16,453,545)	(16,880,675)	(17,275,424)	(18,691,704)	(18,626,516)
% of Total	1.4%	1.5%	1.5%	1.6%	1.6%
47 - Other Revenue	(16,083,319)	(5,104,168)	(4,389,570)	(6,102,128)	(4,833,577)
% of Total	1.4%	0.4%	0.4%	0.5%	0.4%
48 - Interest Income	(1,318,130)	(1,058,842)	(1,118,590)	(1,269,565)	(885,649)
% of Total	0.1%	0.1%	0.1%	0.1%	0.1%
TOTAL COUNTYWIDE REVENUE	(1,165,126,673)	(1,157,565,002)	(1,127,340,071)	(1,202,413,672)	(1,174,871,900)
% Change from Prior Year		-0.6%	-2.6%	6.7%	-2.3%

Countywide Revenue Overview



Property Taxes provide the largest single source of revenue for Shelby County.

Revenue Projections and Assumptions

Preparing a balanced budget based on conservative revenue estimates is fundamental to maintaining a strong financial position. Since property taxes account for over 60% of Countywide revenue, reaching consensus on this revenue forecast is an important basis for budget development. Property taxes have been projected based upon historical trends, current year actual collections and appraisal appeals, and extensive collaboration with the Trustee and the Assessor rather than outside consulting sources. Analysis of local, state and national economic trends and statistical indicators is an integral part of this forecasting process. If necessary, estimates are adjusted before the final budget is approved to reflect results of the certified tax roll and final appeals of current year assessments that become available in April.

Our dependence on this revenue source makes the continuing impact of declining real estate values and foreclosures a real concern. However, the County has very little opportunity to diversify its revenue sources because most other local taxes, fines, fees and permits are largely established and regulated by State law. The County has attempted to maintain stable property tax rates to avoid the need to adapt to cyclical economic and fiscal conditions. This has been accomplished without the use of fund balance or the use of non-recurring revenue sources to fund ongoing expenditures.

Property Tax Rates

The Property Tax Rate is set by the County Commission as a part of the annual budget review process. Rates are set at a level determined to be necessary to maintain a balanced budget while providing appropriate services to County residents. Property appraisals are prepared by the Shelby County Assessor of Property and re-evaluated every four years, except for public utilities which are assessed by the Tennessee Regulatory Authority. The appraised value is the estimated market value at a specified point in time.

The assessed value is the basis for property taxes on various types of property, including:

- Real property – land, structures, lease-hold improvements (realty tax)
- Personal property – business furnishings and equipment (personalty tax)
- Public utility property – real and personal property owned by utilities and organizations regulated by the State

Some properties are exempt from property tax assessments such as governments and religious and charitable institutions. The State of Tennessee tax statutes classify types of property as follows for computing assessed valuations:

- Real estate – Residential and Farms; 25% of actual value
- Real estate – Commercial and Industrial; 40% of actual value
- Personal property – Commercial and Industrial; 30% of actual value
- Public utilities – 55% of actual value

Residential properties have accounted for about 57% of total assessed values in past appraisals, with commercial properties at about 31% throughout the County

Based on property tax assessments provided by the Assessor's office and the property tax rate as set by the County Commission, the Trustee calculates the amount of property tax bills. Tax bills are mailed in September and become delinquent if not paid by the last day in February of the following year.

Property Tax Calculation

To calculate the property tax bill, the assessed value is divided by \$100, with the result multiplied by the effective tax rate. The example below shows this calculation for a tax rate of \$4.02 on a residential property assessed at \$100,000:

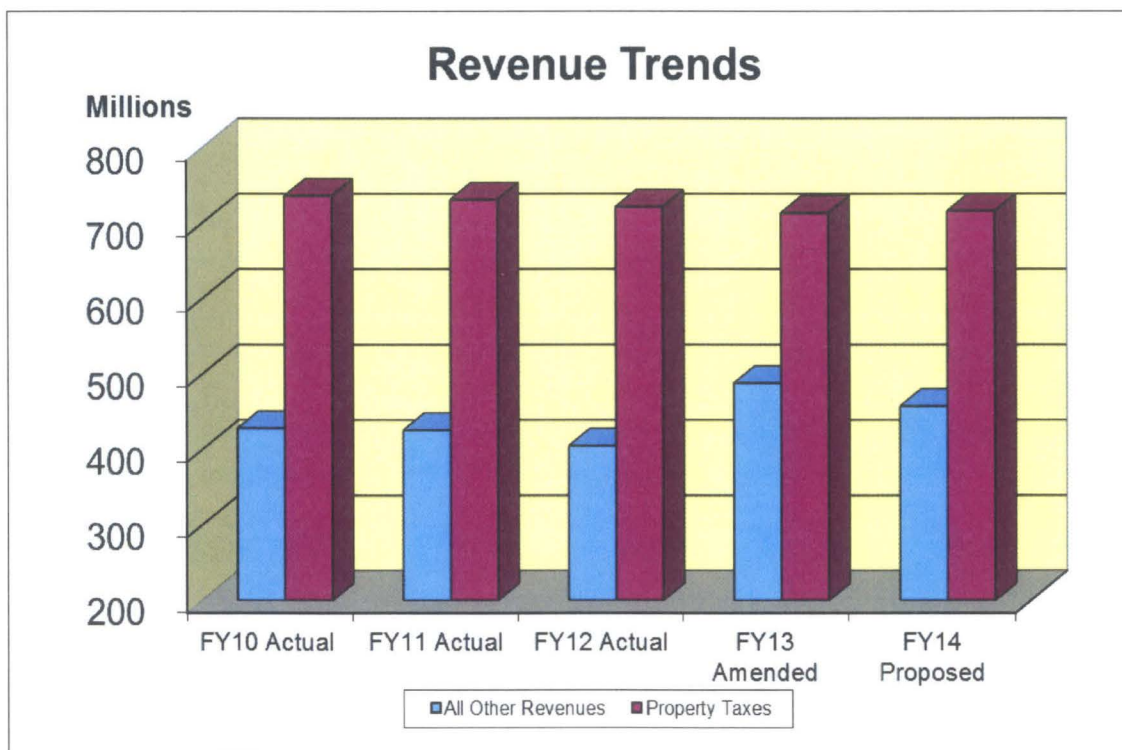
- 1) \$100,000 appraised value x 25% assessed value for residential property = \$25,000
- 2) (\$25,000/\$100) = \$250
- 3) \$250 x \$4.02 = \$1,005.00 tax due

A commercial property of the same appraised value would be assessed at 40% for a tax due amount of \$1608.

Certified Tax Rate Calculation

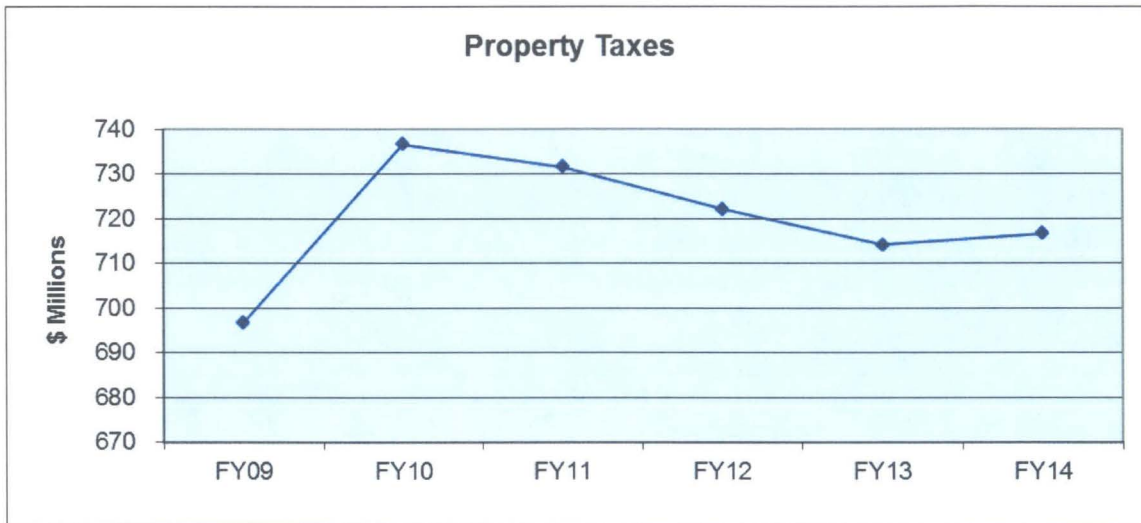
The certified tax rate is a calculation designed to account for the impact of significant property value increases or decreases on local taxes. This calculation, which requires State approval, establishes the rate that is necessary to generate the same amount of property tax revenue as the prior year. The certified tax rate sets a baseline for the property tax rate; the actual rate set for the tax year is determined by the County Commission.

A property reappraisal was conducted throughout Shelby County during 2012 to provide an updated tax valuation basis. This appraisal period includes sales activity for 2010, 2011, and 2012 and reflects the economic impact of declining market values in most areas. For the first time in Shelby County history, an overall property value decline is expected. Therefore, the certified tax rate will reset the tax rate at a higher base amount than in the previous year.

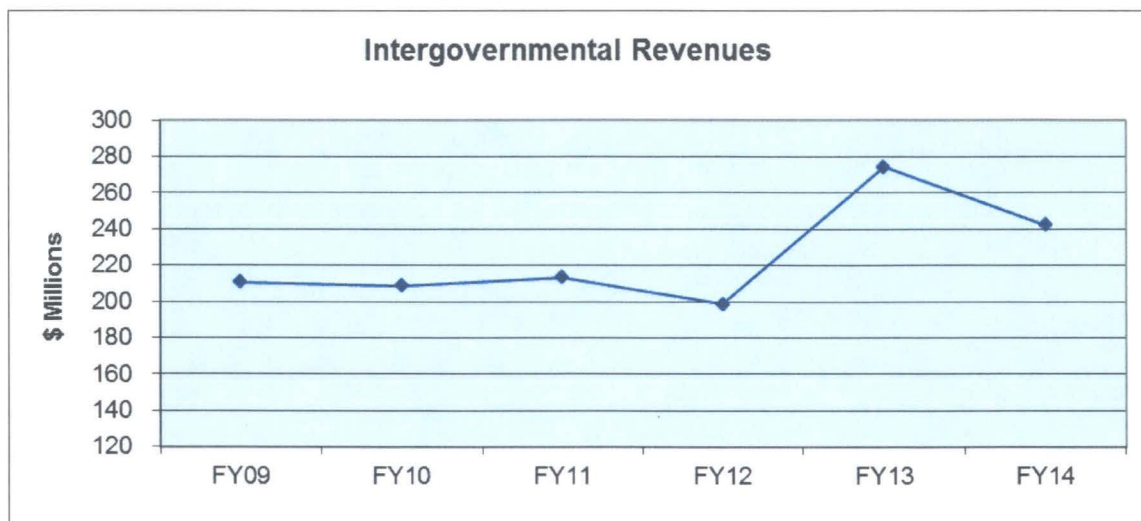


Property Tax Revenue

Current Property Taxes have been projected at \$683.4 million for FY14 for the Proposed Budget - the same level as for FY13. This amount assumes that the certified tax rate will be approved by the Commission to generate the same amount of property tax revenue for operations. Delinquent tax revenue has been increased by almost 10%. Total Property taxes = \$716.6 for FY14.



Intergovernmental Revenues received from the State of Tennessee contribute the second largest source of income to the County, representing 13.1% of total income, with revenue from Federal programs accounting for another 7.5% countywide (or 20.6% combined). Statewide revenue collections are distributed from the state to the municipalities on the basis of population as prescribed by the Tennessee Code Annotated. The County generally does not compensate for the loss of state and federal grant funding with increased local funding. Significant revenue sources in this category include Federal and State grant funding for specified programs, Corrections reimbursements for housing of inmates charged with felony crimes, State gasoline tax and TVA Replacement tax. The FY14 budget for this category has been reduced for FY14 to a level more in line with actual FY12 collections for grants.

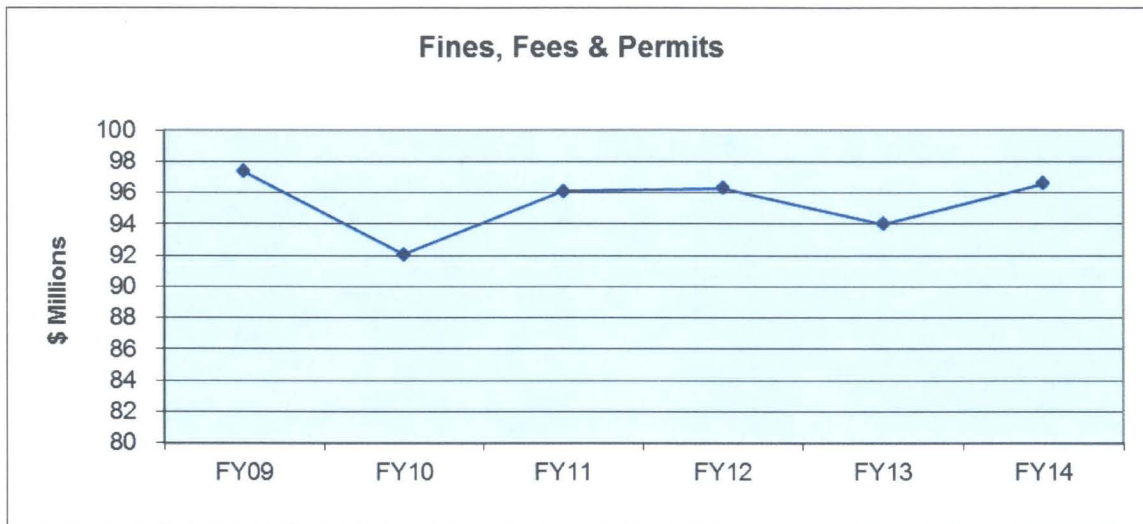


Countywide Summary

Revenue Overview

Fines, Fees & Permits account for 8.2% of total revenues. Collections in this category have reflected the impact of unfavorable economic conditions over the past few years. However, the FY14 projection has been increased by about \$2.6 million based on FY12 actual collections. Significant fees collected from businesses, residents, and organizations for services include:

- County Trustee's commission for collection of property taxes
- Fire Protection fees collected in the unincorporated areas of Shelby County
- Various fees and permits charged by Elected Officials (County Clerk, Register, Courts)



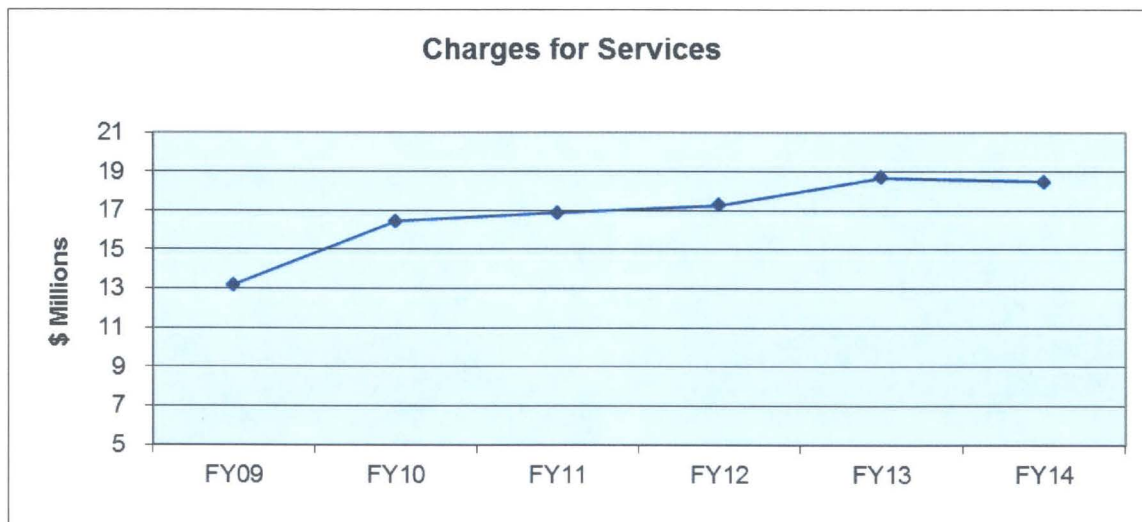
Other Local Taxes contribute another 8.1%, including the Wheel Tax which is collected by the County Clerk as vehicle licenses are issued or renewed. Other significant local tax revenues are generated from:

- Hotel & Motel Tax - a 5% tax collected on room rentals as funding for the Sports Authority debt and Convention and Visitors Bureau
- Car Rental Tax - a 3% tax collected on rental of private vehicles as funding for an NBA arena
- Exempt Property in Lieu of Taxes (PILOT) program - tax incentives designed to attract and expand business within Shelby County
- Business or Gross receipts taxes, Interest & Penalty on Taxes, and litigation taxes

The FY14 increase of \$612K over FY13 budget is primarily due to favorable trends in the collection of Business and Hotel/ Motel taxes. A favorable comparison to FY12 reflects that fact that the MLGW in Lieu of Tax was collected in FY13 and is budgeted at that level again for FY14.



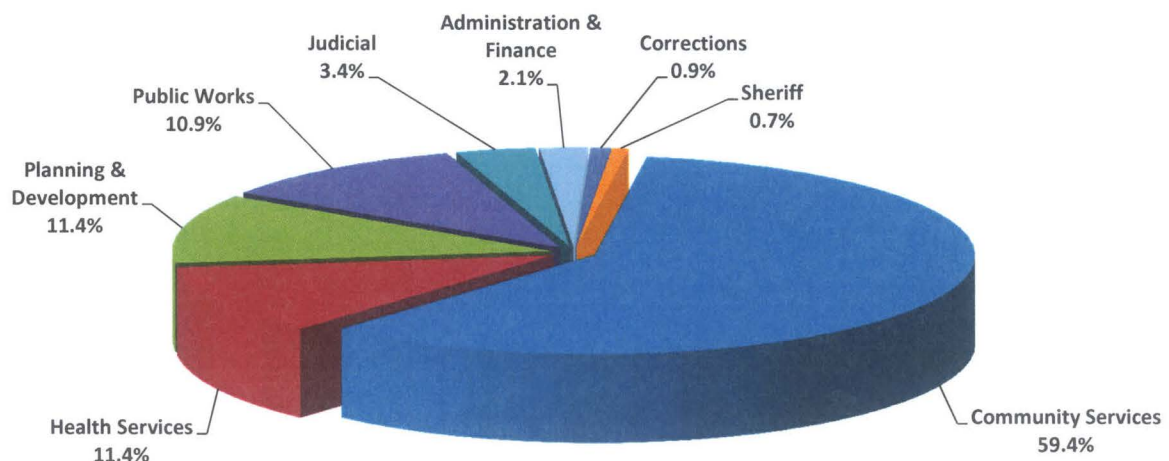
Charges for Services represent only 1.6% of all revenues. This category includes internal service charges for telecommunications, printing, postage and fuel, as well as charges for inmate telephone and postage usage, and TennCare revenue receipts. There are no significant changes in this category for FY14.



Grant Revenue and Expenditures by Division Countywide Summary

					All Funds
DIVISION	FY14 REVENUE	FY14 EXPENDITURES	FY14 TRANSFERS	NET	% of Total Revenue
Community Services	(77,716,669)	77,845,344	(128,676)	-	53.5%
Health Services	(29,232,872)	30,689,575	(1,456,702)	-	20.1%
Planning & Development	(14,853,267)	15,359,624	(506,357)	-	10.2%
Judicial	(4,439,291)	4,665,532	(226,241)	-	3.1%
Administration & Finance	(2,711,780)	2,674,771	37,009	-	1.9%
Public Works	(14,209,123)	14,789,766	(580,643)	-	9.8%
Corrections	(1,130,608)	1,316,133	(185,525)	-	0.8%
Sheriff	(940,109)	770,429	169,680	-	0.6%
TOTAL GRANT FUNDS	(145,233,719)	19,551,099	(559,479)	-	100%

FY14 Grant Fund Revenue by Division



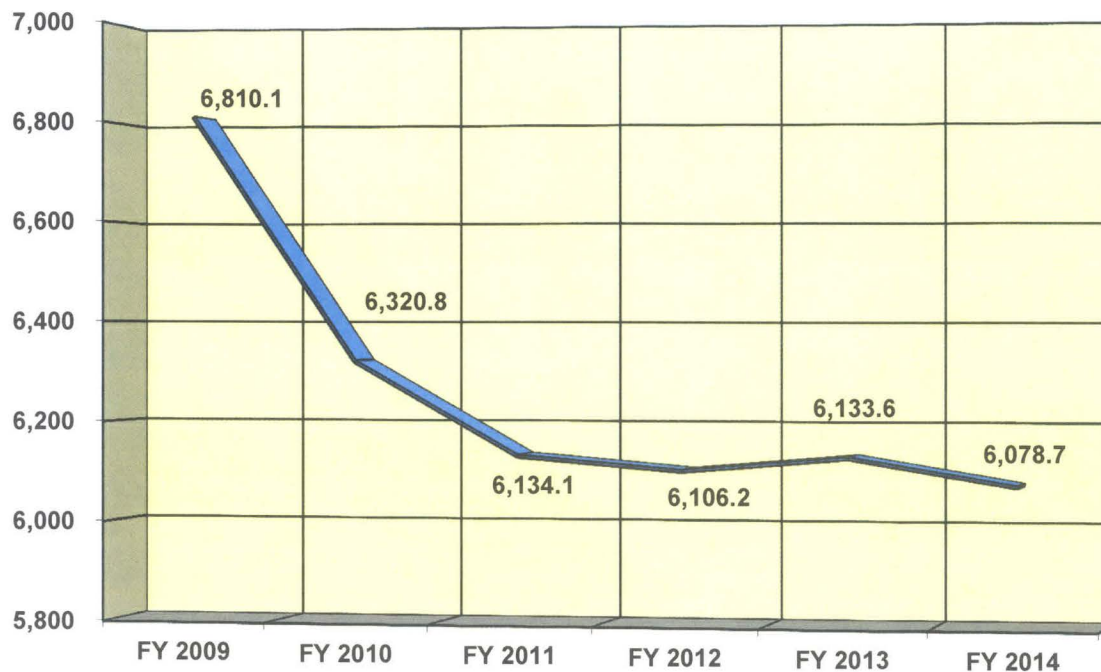
Approximately half of all grants received by the county are related to Community Service programs.

Total FTE Positions by Fund Countywide Summary

All Funds

FUND NAME	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY12-13 Change	% of Total
General Fund	4,188.1	4,023.1	3,910.7	3,857.0	3,875.1	3,867.4	(7.7)	63.2%
Special Revenue Funds	214.0	184.9	172.8	176.8	156.6	154.6	(2.0)	2.6%
Enterprise Funds	1,029.0	987.8	979.8	969.8	1,010.8	1,011.8	1.0	16.5%
Internal Service Funds	22.0	21.0	21.0	21.0	41.0	38.0	(3.0)	0.7%
Grant Funds	1,357.0	1,104.0	1,049.8	1,081.6	1,050.1	1,006.9	(43.2)	17.1%
TOTAL FTE - ALL FUNDS	6,810.1	6,320.8	6,134.1	6,106.2	6,133.6	6,078.7	(54.9)	100.0%
Change from prior year	(305.5)	(489.3)	(186.7)	(27.9)	27.4	(54.9)		
Annual % Change	-4.3%	-7.2%	-3.0%	-0.5%	0.4%	-0.9%		
Cumulative change FY09 - FY14						-11.0%	(731)	

Total Positions Trend

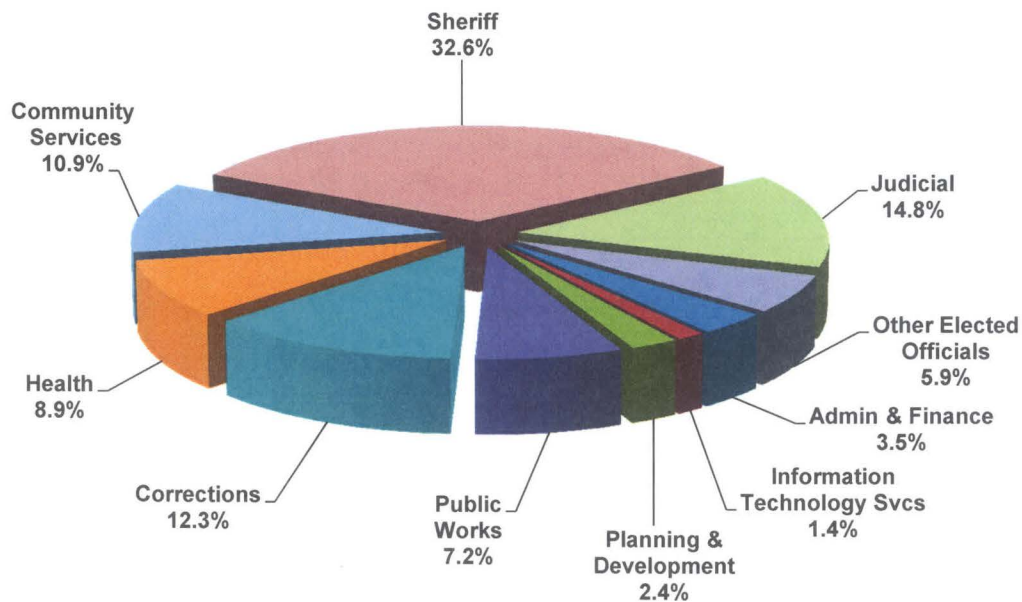


The total number of County employees in All Funds has declined by 731 positions (11%) since 2009.
The largest number of reductions has occurred in the General Fund and in Grants.

Total FTE Positions by Division Countywide Summary

						All Funds	
DIVISION	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Change	% of Total
Administration & Finance	214.0	210.0	207.0	214.0	213.5	(0.5)	3.5%
Information Technology Svcs	87.0	81.0	78.0	85.0	85.0	-	1.4%
Planning & Development	180.6	168.9	160.0	146.0	145.0	(1.0)	2.4%
Public Works	451.0	459.0	452.0	444.0	439.0	(5.0)	7.2%
Corrections	695.8	700.8	703.8	749.8	748.8	(1.0)	12.3%
Health	761.9	639.5	602.7	558.0	540.8	(17.2)	8.9%
Community Services	628.0	625.1	672.0	680.0	665.0	(15.0)	10.9%
Sheriff	2,016.8	1,975.8	1,966.8	1,988.8	1,983.8	(5.0)	32.6%
Judicial	909.7	904.0	904.0	909.0	898.8	(10.2)	14.8%
Other Elected Officials	376.0	370.0	360.0	359.0	359.0	-	5.9%
TOTAL FTE - ALL FUNDS	6,320.8	6,134.1	6,106.2	6,133.6	6,078.7	(54.9)	100.0%

Total FY14 Positions by Division



The Sheriff accounts for almost one third of all positions on a countywide basis.